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**2003 Report on  
County/Municipal  
Tax Differentials and Tax Rebates**

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**Department of Legislative Services  
Office of Policy Analysis  
Annapolis, Maryland**

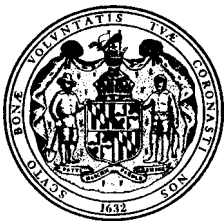
**July 2004**

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DEPARTMENT OF LEGISLATIVE SERVICES

OFFICE OF THE EXECUTIVE DIRECTOR

MARYLAND GENERAL ASSEMBLY

**Karl S. Aro**

Executive Director

July 2004

The Honorable Thomas V. Mike Miller, Jr., President of the Senate  
The Honorable Michael E. Busch, Speaker of the House of Delegates  
Honorable Members of the General Assembly

Ladies and Gentlemen:

Tax set-off systems — generally referred to as "tax differentials" or "tax rebates" — are of continuing interest to State and local government officials. The Department of Legislative Services, Office of Policy Analysis, in accordance with Joint Resolution 31 of 1978, conducts an annual review of local tax set-off systems, and this report summarizes the tax set-off systems for fiscal 2003. The report also provides an overview of the current law relating to tax set-offs. This report was prepared by Christopher Kelter of the Office of Policy Analysis and reviewed by Hiram Burch.

The Department of Legislative Services trusts that the study will be useful to members of the General Assembly and to other persons interested in matters relating to tax set-off systems.

Sincerely,

A handwritten signature in black ink, appearing to read "Karl S. Aro", written over a horizontal line.

Karl S. Aro  
Executive Director

KSAJjab



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## Executive Summary

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In accordance with Joint Resolution 31 of 1978, the Department of Legislative Services conducts an annual review of local tax set-off programs for municipalities. This review utilizes a written survey followed by telephone calls when necessary.

A property tax set-off enables county governments to compensate municipalities for governmental services or programs that municipalities provide in lieu of similar county services or programs. These set-offs can take the form of either property tax rate differentials or tax rebates. The major governmental services performed by municipalities that may result in tax set-offs include police protection, highway and street maintenance, sanitation and waste collection, planning and zoning services, and recreation and parks services.

Seventeen of the twenty-three counties in Maryland had property tax set-offs for municipalities in their jurisdictions in fiscal 2003. Of the six remaining counties, Baltimore and Howard counties have no municipalities, while Queen Anne's, Somerset, Wicomico, and Worcester counties chose not to establish tax set-offs.

Seven counties (Anne Arundel, Calvert, Caroline, Garrett, Harford, Kent, and Talbot) provided tax rate differentials totaling \$18.2 million for the municipalities in their jurisdictions. Seven counties (Carroll, Cecil, Dorchester, Frederick, Montgomery, St. Mary's, and Washington) returned to the municipalities rebates totaling \$11.9 million. Prince George's County provided both tax rebates and tax rate differentials to its municipalities totalling \$11.6 million.

Allegany County provided tax differentials to five of its six municipalities and a tax rebate to one municipality totalling \$972,982. Charles County provided a tax differential to one of its three municipalities and a tax rebate to one municipality totalling \$365,109. In sum, tax differentials and rebates totaled \$43.1 million in fiscal 2003, a 5.7 percent increase over the prior year.

Over the last ten years, the level of tax set-offs provided to municipalities has increased from \$39.7 million in fiscal 1994 to \$43.1 million in fiscal 2003.

Since fiscal 1994, several counties have lowered the amount of tax set-offs provided to municipalities, most noticeably Allegany and Prince George's counties. In fiscal 1994, tax set-offs totaled \$1.5 million in Allegany County and \$15.5 million in Prince George's County.

Prince George's County increased its tax set-offs in fiscal 1999, decreased the amounts in fiscal 2001, and increased the set-offs again in fiscals 2002 and 2003. However, despite these changes, the level of tax set-offs in Prince George's County is still below the amount provided in fiscal 1994. Allegany County, despite fluctuating levels of tax set-offs, remains below the level of 1994 and has decreased for three consecutive years. Only five counties (Calvert, Carroll, Cecil, Frederick, and Harford) have increased or maintained the amount of tax set-offs in each of the fiscal years since 1994.

In comparison to fiscal 2002, the amount of tax set-offs provided to municipalities in

fiscal 2003 increased by 5.7 percent; however, the five-year average annual growth from fiscal 1998 through fiscal 2003 is 3.7 percent. Of the seventeen counties providing tax set-offs in fiscal 2003, the tax set-off amount increased over the amounts provided in fiscal 2002 in thirteen counties (Anne Arundel, Calvert, Caroline, Carroll, Cecil, Frederick, Garrett, Harford, Kent, Montgomery, Prince George's, St. Mary's, and Washington), decreased in three counties (Allegany, Charles, and Talbot), **and remained constant in one county** (Dorchester). In addition, every county that provided a tax set-off in fiscal 2002 provided a tax set-off in fiscal 2003.

While the amount of tax differentials and rebates have increased, the types of services that the municipalities performed remained basically unchanged. The services included police protection, highway and street maintenance, sanitation and waste collection, planning and zoning, and recreation and parks.



# 2003 Report on County/Municipal Tax Differentials and Tax Rebates

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## Introduction

Property tax set-offs are meant to compensate for double taxation of municipal taxpayers occurring when both municipal and county property taxes are levied to fund similar services. Therefore, counties compensate municipal taxpayers with property tax set-offs through a tax rate differential or through a tax rebate. A tax rate differential results in a lower county property tax rate within the boundaries of a municipal corporation, whereas a tax rebate is a direct payment to a municipality for providing the services or programs.

## Background

Section 6-305 of the Tax-Property Article of the Annotated Code of Maryland mandates that the following counties — Allegany, Anne Arundel, Baltimore, Frederick, Garrett, Harford, Howard, Montgomery and Prince George's — meet annually with the governing bodies of municipal corporations to discuss the property tax rate to be set for assessments of property in the municipal corporation. If it is demonstrated that a municipal corporation performs services or programs in lieu of similar county services and programs, the governing body of the county **shall impose** the county property tax on assessments of property in the municipal corporation at a rate that is less than the general county property tax rate.

Section 6-306 governs the procedure for the setting of a tax differential in the other counties. The governing bodies of the counties are required to meet annually with governing bodies of municipal corporations to discuss the property tax rate to be set for assessments of property in the municipal corporation. If it is demonstrated that the municipal corporation performs services or programs in lieu of similar county services, the county **may establish** a county property tax rate for property in the municipal corporation that is lower than the general county property tax rate.

Alternatively, both of the above sections provide the counties with the option of making a payment to the municipal corporation to aid the municipal corporation in funding municipal services or programs that are similar to county services or programs. This is commonly known as a tax rebate.

Subsections (d) and (e) of Sections 6-305 and 6-306 of the Tax-Property Article define the procedures for determining the county property tax rate within a municipal corporation. The provisions follow:

(d) *Setting county rate for municipal corporation.* - In determining the county property tax rate to be set for assessments of property in a municipal corporation, the governing body of the county shall consider:

- (1) the services and programs that are performed by the municipal corporation instead of similar county services and programs; and
- (2) the extent that the similar services and programs are funded by property tax revenues.

(e) *Rate need not be uniform.* - The county property tax rate for assessments of property located in a municipal corporation is not required to be:

- (1) the same as the rate for property located in other municipal corporations in the county; or
- (2) the same as the rate set in a prior year.

## Scope

This report identifies tax differentials and tax rebates made by the governing bodies of the counties during fiscal 2003. Information was obtained from a survey of the counties and the Maryland State Department of Assessments and Taxation. The tax rate differential is calculated per \$100 of assessed property value. A summary of the survey results is presented in **Exhibits 1** and **2**. **Exhibit 3** shows the trend in tax set-offs between fiscal 2000 and 2002, and **Exhibit 4** compares a county's tax set-off in fiscal 2003 with the amount provided in fiscal 1998. **Exhibit 5** shows the assessable base for those jurisdictions that provide tax differentials (Allegany, Anne Arundel, Calvert, Caroline, Charles, Garrett, Harford, Kent, Prince George's, and Talbot counties).

The following payments are excluded from amounts reported as tax rebates:

- mandatory State pass-throughs from the counties to the municipalities such as supplemental police aid and distributions from the State fire, rescue, and ambulance fund;
- county sales and services taxes, license fees, and alcoholic beverage dispensary profits required by State law to be shared with municipalities; and
- funds to which a municipal corporation has a claim, such as Program Open Space.

## **Conclusion**

Overall, of the twenty-one counties in Maryland with municipalities, seventeen granted property tax set-offs to municipal corporations in fiscal 2003: seven counties provided tax rate differentials, seven counties granted tax rebates, and three counties provided a combination of differentials and rebates. Four counties with municipalities did not provide tax set-offs in fiscal 2003.

**Exhibit 1**  
**2003 Survey on County/Municipal Tax Differentials and Rebates**

<b>County</b>	<b>Municipal Corporations</b>	<b>(1) Sec. 6-305</b>	<b>(2) Sec 6-306</b>	<b>Tax Differential</b>	<b>Tax Rebate</b>
Allegany	Y	Y	N	Y	Y
Anne Arundel	Y	Y	N	Y	N
Baltimore City	N	N	N	N	N
Baltimore	N	Y	N	N	N
Calvert	Y	N	Y	Y	N
Caroline	Y	N	Y	Y	N
Carroll	Y	N	Y	N	Y
Cecil	Y	N	Y	N	Y
Charles	Y	N	Y	Y	Y
Dorchester	Y	N	Y	N	Y
Frederick	Y	Y	N	N	Y
Garrett	Y	Y	N	Y	N
Harford	Y	Y	N	Y	N
Howard	N	Y	N	N	N
Kent	Y	N	Y	Y	N
Montgomery	Y	Y	N	N	Y
Prince George's	Y	Y	N	Y	Y
Queen Anne's	Y	N	Y	N	N
St. Mary's	Y	N	Y	N	Y
Somerset	Y	N	Y	N	N
Talbot	Y	N	Y	Y	N
Washington	Y	N	Y	N	Y
Wicomico	Y	N	Y	N	N
Worcester	Y	N	Y	N	N

Key: Y indicates yes; N indicates no.

Note: (1) Sec. 6-305 of the Tax-Property Article requires an annual meeting between county and municipality. Property tax differentials or rebates are mandated if a municipality provides a service in lieu of similar county services.

(2) Sec. 6-306 of the Tax-Property Article requires an annual meeting between county and municipality, but property tax differentials or rebates are optional.

Source: Department of Legislative Services, July 2004

**Exhibit 2****Amount of Tax Differentials and Tax Rebates  
Fiscal 2003**

<b>County</b>	<b>Tax Differential</b>	<b>Tax Rebate</b>	<b>Total</b>
Allegany	\$399,910	\$573,072	\$972,982
Anne Arundel	12,282,326	0	12,282,326
Baltimore City	N/A	N/A	N/A
Baltimore	N/A	N/A	N/A
Calvert	1,372,386	0	1,372,386
Caroline	438,267	0	438,267
Carroll	0	1,572,532	1,572,532
Cecil	0	372,388	372,388
Charles	331,079	34,030	365,109
Dorchester	0	69,000	69,000
Frederick	0	3,817,236	3,817,236
Garrett	140,141	0	140,141
Harford	3,584,951	0	3,584,951
Howard	N/A	N/A	N/A
Kent	88,189	0	88,189
Montgomery	0	4,851,553	4,851,553
Prince George's	11,094,544	553,994	11,648,538
Queen Anne's	0	0	0
St. Mary's	0	45,487	45,487
Somerset	0	0	0
Talbot	319,179	0	319,179
Washington	0	1,121,885	1,121,885
Wicomico	0	0	0
Worcester	0	0	0
<b>Total</b>	<b>\$30,050,972</b>	<b>\$13,011,177</b>	<b>\$43,062,149</b>

N/A: indicates the jurisdiction has no municipalities.

Prepared by: Department of Legislative Services, July 2004

Exhibit 3  
**Tax Differentials and Tax Rebates**  
**Fiscal 2000 - 2002**

	FY 2000			FY 2001			FY 2002		
	Tax Differential	Tax Rebate	Total	Tax Differential	Tax Rebate	Total	Tax Differential	Tax Rebate	Total
Allegany	\$1,235,859	\$0	\$1,235,859	\$1,187,331	\$0	\$1,187,331	\$482,075	\$582,221	\$1,064,296
Anne Arundel	10,403,000	0	10,403,000	11,089,800	0	11,089,800	11,702,059	0	11,702,059
Baltimore City	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Baltimore	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Calvert	1,054,083	0	1,054,083	1,054,083	0	1,054,083	1,218,813	0	1,218,813
Caroline	379,387	0	379,387	398,356	0	398,356	416,514	0	416,514
Carroll	0	1,315,166	1,315,166	0	1,384,574	1,384,574	0	1,553,968	1,553,968
Cecil	0	311,712	311,712	0	323,305	323,305	0	341,145	341,145
Charles	321,562	0	321,562	322,948	0	322,948	375,015	0	375,015
Dorchester	0	69,000	69,000	0	69,000	69,000	0	69,000	69,000
Frederick	0	1,749,479	1,749,479	0	2,153,755	2,153,755	0	3,045,698	3,045,698
Garrett	0	0	0	16,847	0	16,847	25,314	0	25,314
Harford	3,284,569	0	3,284,569	3,381,030	0	3,381,030	3,488,809	0	3,488,809
Howard	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Kent	0	94,263	94,263	0	94,263	94,263	0	0	0
Montgomery	0	4,450,868	4,450,868	0	5,057,414	5,057,414	0	4,433,059	4,433,059
Prince George's	10,598,276	566,537	11,164,813	10,399,534	566,072	10,965,606	11,016,976	577,662	11,594,638
Queen Anne's	0	114,152	114,152	0	131,283	131,283	0	0	0
St. Mary's	0	41,409	41,409	0	42,887	42,887	0	44,558	44,558
Somerset	0	0	0	0	0	0	0	0	0
Talbot	202,401	0	202,401	208,923	0	208,923	324,878	0	324,878
Washington	0	1,106,304	1,106,304	0	1,006,530	1,006,530	0	1,026,517	1,026,517
Wicomico	0	0	0	0	0	0	0	0	0
Worcester	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>\$27,479,137</b>	<b>\$9,818,890</b>	<b>\$37,298,027</b>	<b>\$28,058,852</b>	<b>\$10,829,083</b>	<b>\$38,887,935</b>	<b>\$29,050,453</b>	<b>\$11,673,828</b>	<b>\$40,724,282</b>

N/A: indicates the jurisdiction has no municipalities.

Prepared by the Department of Legislative Services, July 2004.

**Exhibit 4****Changes in Local Tax Set-offs (Tax Differentials and Tax Rebates)  
Over a Five-year Period**

<b>County</b>	<b>FY 1998</b>	<b>FY 2003</b>	<b>Difference</b>	<b>% Change</b>
Allegany	\$1,088,616	\$972,982	(\$115,634)	-10.6%
Anne Arundel	9,990,429	12,282,326	2,291,897	22.9%
Baltimore City	0	0	0	N/A
Baltimore	0	0	0	N/A
Calvert	895,411	1,372,386	476,975	53.3%
Caroline	348,324	438,267	89,943	25.8%
Carroll	1,224,285	1,572,532	348,247	28.4%
Cecil	290,207	372,388	82,181	28.3%
Charles	268,717	365,109	96,392	35.9%
Dorchester	0	69,000	69,000	N/A
Frederick	1,746,724	3,817,236	2,070,512	118.5%
Garrett	0	140,141	140,141	N/A
Harford	2,923,895	3,584,951	661,056	22.6%
Howard	0	0	0	N/A
Kent	87,088	88,189	1,101	1.3%
Montgomery	5,052,134	4,851,553	(200,581)	-4.0%
Prince George's	10,828,368	11,648,538	820,170	7.6%
Queen Anne's	72,250	0	(72,250)	N/A
St. Mary's	33,838	45,487	11,649	34.4%
Somerset	0	0	0	N/A
Talbot	102,682	319,179	216,497	210.8%
Washington	860,278	1,121,885	261,607	30.4%
Wicomico	0	0	0	N/A
Worcester	0	0	0	N/A
<b>Total</b>	<b>\$35,813,246</b>	<b>\$43,062,149</b>	<b>\$7,248,903</b>	<b>20.2%</b>

Prepared by the Department of Legislative Services, July 2004.

**Exhibit 5**

**Assessable Base for Municipalities with Tax Differentials  
fiscal 2003**

	<u>Real Property Base</u>	<u>Personal Property Base</u>
<b>Allegany County</b>		
Barton	\$8,061,320	\$1,272,410
Frostburg	188,441,583	13,509,350
Lonaconing	18,824,850	3,220,740
Luke	63,174,449	122,480,630
Midland	7,858,457	458,200
Westernport	40,592,501	2,602,560
<b>Anne Arundel County</b>		
Annapolis	2,686,459,019	153,649,040
<b>Calvert County</b>		
Chesapeake Beach	303,413,429	2,641,420
North Beach	96,623,569	723,110
<b>Caroline County</b>		
Denton	127,714,128	N/A
Federalsburg	104,966,950	N/A
Goldsboro	6,446,984	N/A
Greensboro	49,241,296	N/A
Henderson	2,390,096	N/A
Hillsboro	5,777,742	N/A
Marydel	3,376,446	N/A
Preston	26,106,970	N/A
Ridgely	50,962,716	N/A
Templeville	699,446	N/A
<b>Charles County</b>		
La Plata	459,831,643	20,136,840
<b>Garrett County</b>		
Mountain Lake Park	58,954,512	3,693,940
Oakland	90,790,171	20,913,800
<b>Harford County</b>		
Aberdeen	665,609,620	57,756,560
Bel Air	702,170,503	75,472,030
Havre de Grace	504,985,742	36,883,280



**Exhibit 5, contd.**

	<b>Real Property Base</b>	<b>Personal Property Base</b>
<b>Kent County</b>		
Betterton	30,161,377	N/A
Chestertown	268,015,686	N/A
Galena	22,086,270	N/A
Millington	13,009,120	N/A
Rock Hall	107,674,954	N/A
<b>Prince George's County</b>		
Berwyn Heights	158,681,790	25,077,670
Bladensburg	230,452,920	30,309,430
Bowie	3,453,104,803	116,846,110
Brentwood	100,372,830	6,401,190
Capitol Heights	159,676,770	12,973,470
Cheverly	300,514,010	68,132,600
College Park	897,063,093	205,972,820
Colmar Manor	50,832,320	4,649,670
Cottage City	52,427,170	4,592,410
District Heights	216,085,120	4,913,950
Eagle Harbor	3,920,904	49,080
Edmonston	79,156,996	9,785,260
Fairmount Heights	55,894,040	1,434,240
Forest Heights	103,618,538	2,865,690
Glenarden	222,311,890	2,586,890
Greenbelt	1,094,993,130	140,230,820
Hyattsville	593,075,736	89,297,610
Landover Hills	52,861,180	5,063,400
Laurel	1,184,035,976	102,139,960
Morningside	62,698,220	2,403,270
Mount Rainier	192,320,052	5,938,900
New Carrollton	406,425,750	19,099,390
North Brentwood	23,884,192	2,290,250
Riverdale Park	275,115,870	21,908,730
Seat Pleasant	165,664,270	10,112,980
University Park	182,960,848	2,160,720
Upper Marlboro	58,241,971	19,375,510
<b>Talbot County</b>		
Easton	892,604,598	N/A
Oxford	175,431,650	N/A
Queen Anne	4,133,219	N/A
St. Michaels	141,210,484	N/A
Trappe	39,464,170	N/A

N/A: Personal property tax rate differential was not granted for the municipality.

Source: Maryland Department of Assessment and Taxation

Prepared by the Department of Legislative Services, July 2004

## Tax Differentials/Tax Rebates by County

### Allegany County

During fiscal 2003, Allegany County provided a tax rate differential to all but one of its municipalities (Cumberland) for performing governmental services in the areas of planning and zoning, corrections and police protection, public works, highway maintenance, and solid waste disposal. The rates are determined by calculating the net property tax support of each area of service and dividing it by the amount of money generated by \$1 of property tax levy. The City of Cumberland received a tax rebate of \$573,072 in fiscal 2003 instead of a tax differential.

<b>Municipality</b>	<b>Real Property Tax Rate Differential</b>	<b>Personal Property Tax Rate Differential</b>	<b>Differential Amount</b>	<b>Tax Rebate Amount</b>	<b>Total Amount</b>
Barton	\$0.0318	\$0.0795	\$3,575	\$0	\$3,575
Cumberland	0	0	0	573,072	573,072
Frostburg	0.0710	0.1775	157,773	0	157,773
Lonaconing	0.0494	0.1235	13,277	0	13,277
Luke	0.0539	0.1348	199,155	0	199,155
Midland	0.0318	0.0795	2,863	0	2,863
Westernport	0.0494	0.1235	23,267	0	23,267
<b>Total</b>			<b>\$399,910</b>	<b>\$573,072</b>	<b>\$972,982</b>

### Anne Arundel County

Anne Arundel County set a tax rate differential of \$0.40 for real property and \$1.00 for personal property for the City of Annapolis for providing police protection (excluding animal control), fire (excluding communications and training), public works, recreation and parks, planning and zoning services, and inspections and permits services. The estimated value of the tax differential is \$12,282,326. Highland Beach, the other incorporated municipality in Anne Arundel County, did not receive a tax differential because such services are not performed by the town. In calculating the tax rate differential, several steps were involved. First, spending was allocated into county-wide (education, human services) and non-city (park, police, fire services) categories. Second, all revenues, except property taxes, are allocated to offset the cost of either county-wide or non-city services. Third, costs that are offset are used to calculate county-wide and non-city property tax rates. Finally, this non-city property tax rate serves as the Annapolis tax rate differential.

<u>Municipality</u>	<u>Real Property Tax Rate Differential</u>	<u>Personal Property Tax Rate Differential</u>	<u>Differential Amount</u>
Annapolis	\$0.40	\$1.00	\$12,282,326

### **Baltimore County**

There are no incorporated municipalities in Baltimore County.

### **Calvert County**

Calvert County provided a tax rate differential in the following municipalities for police protection, road maintenance, trash collection, and street lighting.

<u>Municipality</u>	<u>Real Property Tax Rate Differential</u>	<u>Personal Property Tax Rate Differential</u>	<u>Differential Amount</u>
Chesapeake Beach	\$0.336	\$0.840	\$1,041,657
North Beach	0.336	0.840	<u>330,729</u>
<b>Total</b>			<b>\$1,372,386</b>

### **Caroline County**

Pursuant to Section 166-48 of the Caroline County code, property tax rebates were discontinued in 1997. Rebates were replaced by a tax rate differential of (1) \$0.12 on property in municipalities that provide water and/or sewer services; or (2) \$0.04 on property in all other municipalities. Caroline County does not provide a tax differential for personal property. In fiscal 2003 Caroline County provided tax differentials totaling \$438,267.

<b>Municipality</b>	<b>Real Property Tax Rate Differential</b>	<b>Differential Amount</b>
Denton	\$0.12	\$153,257
Federalsburg	0.12	125,960
Goldsboro	0.04	2,579
Greensboro	0.12	59,090
Henderson	0.04	956
Hillsboro	0.04	2,311
Marydel	0.04	1,351
Preston	0.12	31,328
Ridgely	0.12	61,155
Templeville	0.04	<u>280</u>
<b>Total</b>		<b>\$438,267</b>

### Carroll County

In lieu of tax rate differentials, Carroll County provided its municipalities tax rebates totaling \$1,572,532. This amount was calculated by determining a per capita allocation amount (\$37.7788) and multiplying it by the town's estimated population. This per capita grant is then adjusted by an index relating each town's assessable base per capita to the average assessable base per capita of all the towns. The tax rebates were distributed as follows:

<b>Municipality</b>	<b>Tax Rebate Amount</b>
Hampstead	\$196,546
Manchester	153,151
Mount Airy	85,481
New Windsor	47,387
Sykesville	179,744

<b><u>Municipality</u></b>	<b><u>Tax Rebate Amount</u></b>
Taneytown	230,932
Union Bridge	47,048
Westminster	<u>632,243</u>
<b>Total</b>	<b>\$1,572,532</b>

### **Cecil County**

Cecil County returned to its municipalities a rebate equivalent to \$0.028 per \$100 of assessed property values for police protection, street maintenance, and street lighting (general rebate). In addition, the county made rebate payments to its municipalities totaling \$62,229 in order to offset the cost of refuse and garbage collection. The amounts were distributed as follows:

<b><u>Municipality</u></b>	<b><u>General Rebate</u></b>	<b><u>Trash Rebate</u></b>	<b><u>Tax Rebate Amount</u></b>
Cecilton	\$5,585	\$2,666	\$8,251
Charlestown	13,798	5,732	19,530
Chesapeake City	12,526	4,427	16,953
Elkton	156,258	0	156,258
North East	37,195	15,373	52,568
Perryville	52,456	20,655	73,111
Port Deposit	8,905	3,803	12,708
Rising Sun	<u>23,436</u>	<u>9,574</u>	<u>33,010</u>
<b>Total</b>	<b>\$310,159</b>	<b>\$62,229</b>	<b>\$372,388</b>

### **Charles County**

Charles County provided a tax rate differential to one of its three municipalities for performing government services in the areas of planning and zoning, police services, growth management, parks, and public works. La Plata received a tax differential of \$331,079. The rate

was determined by calculating the expenditures funded by property taxes. This amount was divided by the town's assessable base. Indian Head received a tax rebate of \$34,030 for the provision of the same services. The Town of Port Tobacco received neither a tax differential nor a tax rebate as the town did not perform any services in lieu of those performed by the county.

<b>Municipality</b>	<b>Real Property Tax Rate Differential</b>	<b>Personal Property Tax Rate Differential</b>	<b>Differential Amount</b>	<b>Tax Rebate Amount</b>	<b>Total Amount</b>
Indian Head	\$0	\$0	\$0	\$34,030	\$34,030
La Plata	.072	0	331,079	0	331,079
<b>Total</b>			<b>\$331,079</b>	<b>\$34,030</b>	<b>\$365,109</b>

### **Dorchester County**

In fiscal 2003, Dorchester County's nine municipalities received tax rebates totaling \$69,000 for police, planning, and zoning services.

<b>Municipality</b>	<b>Tax Rebate Amount</b>
Brookview	\$450
Cambridge	54,000
Church Creek	425
East New Market	1,350
Eldorado	425
Galestown	700
Hurlock	8,950
Secretary	1,350
Vienna	1,350
<b>Total</b>	<b>\$69,000</b>

### Frederick County

Frederick County provided tax rebates totaling \$3,817,236 to all twelve of its municipalities for police protection, planning and zoning, and parks and recreation. The tax rebates were distributed as follows:

<b>Municipality</b>	<b>Tax Rebate Amount</b>
Brunswick	\$265,519
Burkittsville	1,021
Emmitsburg	106,719
Frederick	2,633,301
Middletown	124,128
Mount Airy	147,784
Myersville	12,277
New Market	1,730
Rosemont	1,592
Thurmont	261,879
Walkersville	256,175
Woodsboro	
<b>Total</b>	<b>\$3,817,236</b>

### Garrett County

As required by law, the governing body of Garrett County met with the officers of its eight municipalities to discuss the possibility of a "tax rate differential" or "tax rebate." The county decided to provide a tax rate differential to two municipalities, Mountain Lake Park and Oakland, in fiscal 2003.

<b><u>Municipality</u></b>	<b>Real Property Tax Rate Differential</b>	<b>Personal Property Tax Rate Differential</b>	<b>Differential Amount</b>
Mountain Lake Park	\$0.048	\$0.120	\$32,731
Oakland	0.075	0.188	<u>107,411</u>
<b>Total</b>			<b>\$140,141</b>

### Harford County

Harford County provided a tax differential for its municipalities for services performed in the area of road maintenance and public works. The differential is based on the county's highway property tax rate that is imposed in the non-incorporated section of the county.

<b><u>Municipality</u></b>	<b>Real Property Tax Rate Differential</b>	<b>Personal Property Tax Rate Differential</b>	<b>Differential Amount</b>
Aberdeen	\$0.156	\$0.390	\$1,263,602
Bel Air	0.156	0.390	1,389,727
Havre de Grace	0.156	0.390	<u>931,622</u>
<b>Total</b>			<b>\$3,584,951</b>

### Howard County

There are no incorporated municipalities in Howard County.

### Kent County

In fiscal 2003, Kent County provided a tax differential to its five municipalities. Prior to fiscal 2002, Kent County had provided tax rebates to its municipalities.



<u>Municipality</u>	<b>Real Property Tax Rate Differential</b>	<b>Differential Amount</b>
Betterton	\$0.02	\$6,032
Chestertown	0.02	53,603
Galena	0.02	4,417
Millington	0.02	2,602
Rock Hail	0.02	<u>21,535</u>
<b>Total</b>		\$88,189

### Montgomery County

Pursuant to Council Resolution 9-1752 of April 1982, Montgomery County reimbursed its municipalities for street and road maintenance, code enforcement, park maintenance, human relations commissions, police crossing guards, and senior transportation. The amounts distributed in fiscal 2003 were as follows:

<u>Municipality</u>	<b>Tax Rebate Amount</b>
Barnesville	\$0
Battery Park *	0
Brookeville	3,492
Chevy Chase, Sec. III	17,305
Chevy Chase, Sec. V	12,416
Chevy Chase View	26,385
Chevy Chase Village	64,177
Town of Chevy Chase	86,664
Drummond *	2,949
Friendship Heights *	81,841

<b><u>Municipality</u></b>	<b><u>Tax Rebate Amount</u></b>
Gaithersburg	720,834
Garrett Park	30,420
Glen Echo	13,270
Kensington	97,096
Laytonsville	8,303
Martin's Additions	17,150
North Chevy Chase	15,288
Oakmont *	2,095
Poolesville	134,639
Rockville	1,482,285
Somerset	32,903
Takoma Park	1,974,182
Washington Grove	<u>27,859</u>
<b>Total</b>	<b>\$4,851,553</b>

\* denotes a special taxing district

### **Prince George's County**

County law requires the municipalities to develop service recognition values based on the degree to which certain county services are provided by the municipality. These values are reduced by the municipal share of the local income surtax before being converted to a property tax rate equivalent. Services provided by the municipalities include police and fire services, public works, property and animal control standards, community development, and aging/social services. The county also provides tax rebates to reimburse its municipalities for tipping fees and tipping code enforcement.

<b>Municipality</b>	<b>Real Property Tax Rate Differential</b>	<b>Personal Property Tax Rate Differential</b>	<b>Differential Amount</b>	<b>Tax Rebate Amount</b>	<b>Total Amount</b>
Berwyn Heights	\$0.143	\$0.357	\$316,442	\$7,623	\$324,065
Bladensburg	0.151	0.377	462,250	19,852	482,102
Bowie	0.018	0.044	672,971	130,259	803,230
Brentwood	0.019	0.048	22,143	7,369	29,512
Capitol Heights	0.117	0.291	224,575	10,723	235,298
Cheverly	0.137	0.342	644,718	16,669	661,387
College Park	0.018	0.044	252,099	63,892	315,991
Colmar Manor	0.021	0.052	13,093	3,257	16,350
Cottage City	0.130	0.323	82,989	2,944	85,933
District Heights	0.140	0.348	319,620	15,439	335,059
Eagle Harbor	0.005	0.014	203	143	346
Edmonston	0.138	0.344	142,898	2,485	145,383
Fairmount Heights	0.037	0.093	22,015	3,908	25,923
Forest Heights	0.083	0.208	91,964	6,698	98,662
Glenarden	0.125	0.311	285,935	16,371	302,306
Greenbelt	0.153	0.382	2,211,021	55,598	2,266,619
Hyattsville	0.151	0.376	1,231,303	38,177	1,269,480
Landover Hills	0.145	0.361	94,928	3,975	98,903
Laurel	0.168	0.419	2,417,147	51,721	2,468,868
Morningside	0.128	0.320	87,944	3,356	91,300
Mount Rainier	0.148	0.369	306,548	22,020	328,568
New Carrollton	0.016	0.040	72,668	32,621	105,289
North Brentwood	0.012	0.029	3,530	1,215	4,745

<b>Municipality</b>	<b>Real Property Tax Rate Differential</b>	<b>Personal Property Tax Rate Differential</b>	<b>Differential Amount</b>	<b>Tax Rebate Amount</b>	<b>Total Amount</b>
Riverdale Park	0.153	0.381	504,400	17,335	521,735
Seat Pleasant	0.140	0.350	267,325	12,658	279,983
University Park	0.140	0.350	263,708	6,007	269,715
Upper Marlboro	0.075	0.188	80,107	1,679	81,786
<b>Total</b>			<b>\$11,094,544</b>	<b>\$553,994</b>	<b>\$11,648,538</b>

### **Queen Anne's County**

Queen Anne's County did not provide tax differentials or rebates to its municipalities in fiscal 2003.

### **St. Mary's County**

St. Mary's County provided a tax rebate in the amount of \$45,487 to the Town of Leonardtown in fiscal 2003. The rebate is based on the assessed value of county-owned tax exempt property within the town's corporate limits and the amount of property taxes due for those properties.

<b><u>Municipality</u></b>	<b><u>Tax Rebate Amount</u></b>
Leonardtown	\$45,487

### **Somerset County**

In fiscal 2003, Somerset County decided that a tax differential or tax rebate would not be implemented for its municipalities: Town of Princess Anne and the City of Crisfield.

### **Talbot County**

In fiscal 2003, Talbot County provided a tax rate differential to five of its municipalities for performing governmental services in the areas of planning and zoning, police protection, building code

enforcement, and parks and recreation. Talbot County does not provide a tax differential for personal property.

<b>Municipality</b>	<b>Real Property Tax Rate Differential</b>	<b>Differential Amount</b>
Easton	\$0.031	\$276,708
Oxford	0.013	22,806
Queen Anne	0.003	124
St. Michaels	0.013	18,357
Trappe	0.003	<u>1,184</u>
<b>Total</b>		<b>\$319,179</b>

## Washington County

Washington County provided a tax rebate to its municipalities for providing police protection and road and park maintenance. The rebate is based on the municipality's assessable base, net taxable income, and population in relation to the county's.

<b>Municipality</b>	<b>Tax Rebate Amount</b>
Boonsboro	\$68,691
Clear Spring	2,000
Funkstown	5,239
Hagerstown	899,063
Hancock	42,273
Keedysville	2,569
Sharpsburg	3,681
Smithsburg	52,591
Williamsport	<u>45,778</u>
<b>Total</b>	<b>\$1,121,885</b>

**Wicomico County**

In fiscal 2003, Wicomico County decided that a tax differential or tax rebate would not be implemented for its eight municipalities.

**Worcester County**

In fiscal 2003, Worcester County did not provide tax differentials or tax rebates to its four municipalities.

